

## IMPORTANT REMINDERS:

- Taxpayer rights come first!
- Equity and fair treatment of employees must be protected.
- Standards for good conduct have not changed.
- Employees must file accurate and timely tax returns regardless of whether there is a balance due.
- Employees have a responsibility to report allegations involving potential Section 1203 violations to appropriate officials. Reports may be made to management or the Treasury Inspector General for Tax Administration (TIGTA).
- Willfulness and some degree of intent are essential elements of Section 1203 violations as stated in the plain-language summary. Simple mistakes in the course of doing your job in good faith are not Section 1203 violations.
- If you're ever in doubt about the appropriate action, ask for assistance before proceeding.

## SECTION 1203 PROVISIONS

*This is a plain-language summary of Section 1203 provisions. Check the statute for the actual language.*

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**Willfully failing to obtain required approvals when making a seizure.**

*Section 1203(b)(1)*

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**Providing a sworn false statement in a “material matter” concerning a taxpayer.**

*Section 1203(b)(2)*

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**Violating the constitutional rights of or discriminating against taxpayers or employees.**

*Section 1203(b)(3)*

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**Falsifying or destroying documents to cover a mistake concerning a taxpayer.**

*Section 1203(b)(4)*

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**Receiving a criminal conviction or adverse civil judgment for assault or battery on a taxpayer or employee.**

*Section 1203(b)(5)*

**Violating the Internal Revenue Code, IRS regulations or policies to retaliate or harass taxpayers or employees**

*Section 1203(b)(6)*

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**Willfully misusing Internal Revenue Code Section 6103 to conceal information from Congressional inquiry.**

*Section 1203(b)(7)*

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**Willfully failing to file a tax return on or before its due date, unless it is due to reasonable cause.**

*Section 1203(b)(8)*

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**Willfully understating federal tax liability, unless it is due to reasonable cause.**

*Section 1203(b)(9)*

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**Threatening an audit for personal gain.**

*Section 1203(b)(10)*

## EMPLOYEE APPEAL RIGHTS

Employees have always had the right to appeal agency adverse action decisions to a third party such as the Merit Systems Protection Board. This has not changed.

What is different under Section 1203, however, is that a decision to remove the employee may not be overturned if the charge of misconduct is sustained.

Under Section 1203, any decision to remove an employee will be carefully reviewed by a top-level Review Board headed by the Deputy Commissioner of Operations. This will ensure the same fair and equitable standard is applied to every removal action under Section 1203.

The Review Board may recommend mitigation of the removal penalty, but only the Commissioner can mitigate the penalty.

### LABOR RELATIONS AND EMPLOYEE RELATIONS RESOURCE CENTER:

**Phone:** 202-622-4740

**cc:mail:** \*LR-ER1203

**Web:** [http://www.dss.swro.swr.irs.gov/  
acss/web/labor/lr\\_index.html](http://www.dss.swro.swr.irs.gov/acss/web/labor/lr_index.html)

## REPORTING POTENTIAL VIOLATIONS OF SECTION 1203

Employees have a responsibility to report allegations involving potential Section 1203 violations to appropriate officials. Reports may be made to management or TIGTA.

To pursue an allegation of discrimination, employees should follow the EEO complaint process by contacting an EEO Counselor.

### TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION (TIGTA):

**Hotline:** 1-800-366-4484

**Mailing Address:**

P.O. Box 589

Ben Franklin Station

Washington, DC 20044-0589

**Web:** [washington.insp.irs.gov/reportfraud/  
default.htm](http://washington.insp.irs.gov/reportfraud/default.htm)

# What *You Need to Know* About

## SECTION 1203

### IRS Restructuring and Reform Act of 1998

### TERMINATION OF EMPLOYMENT FOR MISCONDUCT

*On July 22, 1998, President Clinton signed into law the landmark IRS Restructuring and Reform Act of 1998 (RRA98).*

*Employees should have an understanding of RRA 98, which defines some basic concepts about employee conduct and requires those who are determined to have violated any provision under Section 1203 to be removed from the Service.*



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